GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2280
ANSWERED ON:15.12.2008
NAFED
Karunakaran Shri P.

Will the Minister of AGRICULTURE be pleased to state:

(a) the major functions and the mode of constitution of the board of Directors of the National Agricultural Cooperative Marketing Federation of India Limited (NAFED);

(b) whether there has been any change in the Constitution of the Board in connection with the Co-operative Societies Act, 2002;

(c) if so, the details thereof;

(d) whether any suggestion has been made for strengthening the NAFED; and

(e) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE(SHRI KANTI LAL BHURIA)

(a) to (e): The major functions of the Board of Directors of NAFED is to consider and approve the annual budget, annual report and the audit report placed before the General Body; to admit and suspend members; to appoint, suspend or remove the MD; to appoint Executive and Business Committee; to recommend distribution of profit to the general body; to accept or reject the resignation from the members of the Board of Directors and in the case of acceptance of resignation or vacancy falling for other reasons, to co-opt Directors from among the representatives to the General Body etc. The Board of NAFED is an elected body where the members are elected by the General Body.

The constitution of the Board was changed in view of the amendment of Multi-State Co- operative Societies (MSCS) Act, 2002. Accordingly, as per the existing provisions in the bye- laws of NAFED, the maximum number of Director on the Board of NAFED is 21. Further, the Board may co-opt two directors in addition to 21. The Managing Director of NAFED is also the member of the Board and excluded for the purpose of counting the total number of Directors specified in the Board.

The Board of Directors elected by the General Body consists of:

(i) One nominee each of the State Level General Purpose Cooperative Marketing Federations excluding UTs admitted under Bye-law 4(A)(i) which has contributed atleast Rs. 20 lakhs individually as equity through admission/additional contribution.

In case there are more than 10 such member federations then the first 10 in descending order of their ranking would be eligible to nominate one director each to the Board of NAFED. The ranking will be based on weighted overage of the percentage equity share capital of the concerned State in the total issued share capital of NAFED and the average business with NAFED excluding PSS/MIS or any other business of Government scheme in that State as a percentage of the total business with NAFED in equal proportion. Such nominee shall be in accordance with the provisions of the Act/Rules 2002.

(ii) One nominee from North-Eastern States including Sikkim and Apex level Marketing Societies of the Union Territories registered under bye-law 4(A)(ii) on the basis of the criteria laid down of (i) above and if none qualifies then vacancy is filled up by the eleventh candidate from the list prepared in para(i) above.

(iii) One representative representing the State level Cooperative Commodity Federation engaged in marketing processing or distribution of agricultural, minor forest and allied produce, agricultural requisite and consumer goods is elected by the members admitted under Bye-law 4(A)(iii)

(iv) Seven nominees representing primary level Cooperative Marketing and/or processing of agricultural, minor forest or allied produce and/or agricultural inputs and having a minimum sales turn over of Rs.50 lakhs or above during the cooperative year preceding the date of application for membership, are elected by members admitted under Bye-law (4(A)(iv) from amongst themselves;

(v) One nominee of the Government of India under Bye-law (4)(A)(v) where the Government guarantee repayment of principal and payment of interest on loans and advances to NAFED or has given any assistance by way of grants or otherwise to NAFED, the Government in this behalf, as the case may be, or any person authorized by the Government shall have the right to nominate person on

the Board of NAFED.

(vi) One, nominee of the National Cooperative Consumers Federation is represented on the Board of NAFED on reciprocal basis;

(vii) Managing Director.

(viii) Not more than two eminent cooperators, economists or management experts in the country as may be co-opted by the Board of Directors. They have right to participate and vote.Such persons are eligible for re-cooption after the end of their term;

Further, in order to strengthen the working of NAFED, this Department has advised to NAFED to expand and diversify its activities in the field of agricultural and allied activities, explore the possibilities to tap funds from various resources under on going schemes of Government of India, to strengthen its mechanism for effective implementation of Minimum Price Support and Market Intervention Scheme etc. so that the NAFED may become a commercial viable organization in the changed business scenario so as to protect the interest of farmers as well as the cooperatives.